

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

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ALAN BROWN,	:	Case No. 05 Civ. 11178 (NG)
	:	
Plaintiff,	:	
	:	
-against-	:	DECLARATION OF REX LEE
	:	IN SUPPORT OF DEFENDANTS'
	:	MOTION TO DISMISS COUNT I OF
STATE STREET CORPORATION	:	THE COMPLAINT PURSUANT TO
and STATE STREET GLOBAL	:	FED. R. CIV. P. 12(b)(6)
ADVISORS,	:	
	:	
Defendants.	:	
-----	X	

Pursuant to 28 U.S.C. § 1746, REX LEE hereby declares under penalty of perjury that the following is true and correct:

1. I am an associate with the law firm Quinn Emanuel Urquhart Oliver & Hedges, LLP, counsel for defendants State Street Corporation (the "Corporation") and State Street Global Advisors ("SSgA") (collectively "State Street").
2. I have personal knowledge of the matters set forth herein, except where stated to be on information and belief, and respectfully submit this declaration in support of Defendants' Memorandum of Law in Support of Their Motion to Dismiss Count I of the Complaint Pursuant to Fed. R. Civ. P. 12(b)(6), dated August 16, 2005.

3. Attached hereto as Exhibit 1 is a true and correct copy of the Executive Voluntary Separation Program Decision Guide (the "Separation Guide"). Upon information and belief, there were seven groups of U.S. employees eligible to participate in State Street's Voluntary Separation Program (the "VSP"). Accordingly, State Street distributed at least four versions of a guide describing the particular benefits applicable to each employee group. Each version indicated that the VSP was available only to those who were on the U.S. payroll and were employed by State Street Bank and Trust Company, or an affiliated company that was a participating employer under the State Street Retirement Plan. The particular guide attached here is included solely to provide the Court with an example of the program materials and is not exclusively relied upon by State Street.

Dated: New York, New York
August 16, 2005

/s/ Rex Lee
Rex Lee

EXHIBIT 1

Executive Voluntary Separation Program Decision Guide

Election Period: May 1–June 16, 2003

For Employees Not Eligible to Retire from State Street—Executive Version

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Important Note

This guide and the accompanying documents describe the benefits available to you through the Executive Voluntary Separation Program. If there is any discrepancy between the information in this guide and the plan documents, the plan documents will govern. State Street reserves the right in its sole discretion to amend, modify or terminate any plan for active or former employees at any time and for any reason, subject to applicable laws. If a change is made, you will be notified.

State Street has made its best efforts to determine that those employees who receive the Executive Voluntary Separation Program package of materials are eligible to participate. However, if you are not eligible, having received this package will not entitle you to participate. Similarly, if you are eligible but relevant data in State Street's recordkeeping system is incorrect, State Street reserves the right to correct the data.

State Street also reserves the right in its sole discretion to exclude one or more individuals, groups of employees and/or employees of an entire business unit from participation in the Executive Voluntary Separation Program, even if such employees would otherwise meet the eligibility criteria. Alternatively, State Street may vary the terms of the Program for any groups of employees.

Calendar of Important Dates for the Executive Voluntary Separation Program (EVSP)

May 2003						
S	M	T	W	T	F	S

May 1: EVSP election period begins.

June 2003						
S	M	T	W	T	F	S
		17	18	19	20	21
22	23	24	25	26	27	28
29	30					

June 16: Election period closes. Your Election Form and Release Agreement must be received by HR & OP Benefits (see *Returning Your Forms* on page 4). However, in no event will you have less than 45 calendar days to review and consider the Release Agreement.

June 27: Last day of employment for employees who elect the EVSP (unless your termination date is extended by State Street). Equity-based awards will be adjusted to reflect the EVSP vesting and exercisability enhancements.

July 2003						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

July: Severance payments begin. Retirement Plan payment election packages will be distributed to employees who elect the EVSP.

August 2003						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August 31: The date as of which your Retirement Plan benefits have been calculated and your service has been projected for severance. You may elect that your Retirement Plan payments begin as soon as practicable after your termination (but not earlier than September 1, 2003), or you may defer payments to a future date.

About the Executive Voluntary Separation Program

What Is the Executive Voluntary Separation Program?

The Executive Voluntary Separation Program (EVSP) is a one-time election to terminate your employment with State Street voluntarily on June 27, 2003 (unless your termination date is extended by State Street). The EVSP provides retirement and severance payments, benefits continuation and other benefits and services based on your projected age and State Street service as of August 31, 2003. The rate of pay for severance and certain retirement calculations will be your base pay rate as of April 1, 2003.

Eligibility

You are eligible to elect the EVSP if you meet the following criteria:

- You are employed on April 1, 2003 by State Street Bank and Trust Company or an affiliated company that is a participating employer under the State Street Retirement Plan, and you are on the U.S. payroll.
- You have at least one year of service with State Street as of April 1, 2003. For this purpose, your service is measured from your most recent hire or rehire date.
- You hold the title of Executive Vice President or a superior position.
- You have not been designated as ineligible for the Program.

Entitlement to Executive Voluntary Separation Program Benefits

If you are eligible, you will be entitled to receive the benefits provided under the EVSP if:

- Your signed Election Form and Release Agreement are returned to HR & OP Benefits by June 16, 2003 (see *Returning Your Forms* on page 4), and you do not revoke them, and
- You remain employed by State Street in a satisfactory manner until June 27, 2003 (or your extended termination date, if later).

Making Your Decision

The decision to elect or decline the EVSP is an important one. You need to take the time to consider carefully the financial and personal implications of the EVSP before deciding whether it is right for you. In addition, you are urged to consult a tax and/or financial advisor before making your decision. You are also advised to consult an attorney before signing the Release Agreement.

Election Period

The EVSP is available only for a limited period—from May 1, 2003 through June 16, 2003. Once this period ends, the enhanced benefits available under the EVSP will no longer be available.

Revocation of Election

Your decision to elect the EVSP is a one-time election. You have the opportunity to change your mind by submitting the enclosed Revocation of Election Form during the seven-calendar-day period following the date you sign the Election Form. After seven calendar days, your election is irrevocable. The Revocation of Election Form must be received by HR & OP Benefits on or before the seventh calendar day in order to revoke your election of the EVSP.

Release Agreement

Besides the Election Form, you must also sign and return the Release Agreement included in this package. You are advised to consult an attorney before signing the Release Agreement. In no event will you have less than 45 calendar days to consider the Release Agreement and whether to sign it. You will have seven calendar days after signing the Release Agreement to revoke it. If you do not sign the Release Agreement, or if you revoke it during the seven-calendar-day period, your election of the EVSP will automatically be revoked as well. Your signed Release Agreement must be received by HR & OP Benefits by June 16, 2003 (see *Returning Your Forms* on page 4), provided you have had 45 calendar days to review and consider the Release Agreement.

Remember: You do not have to sign the Release Agreement before you have had 45 calendar days to review and consider it. However, you may sign it sooner.

If You Are on a Leave of Absence

If you meet the eligibility criteria described on page 3 and are on a personal, Family Medical Leave Act (FMLA), short-term disability (STD) or long-term disability (LTD) leave of absence, the EVSP is available to you. If you elect the EVSP and your approved leave of absence ends before June 27, 2003, you must return to work and resume active employment through June 27, 2003, at which time you will terminate employment. Even if your leave of absence does not end before June 27, 2003, your employment with State Street will be terminated on June 27, 2003 if you elect the EVSP.

If you are on an approved leave of absence and you do not elect the EVSP, you may be selected for the involuntary staff reduction. However, your severance payments would be delayed in the case of STD until the end of the approved STD period.

If you are on an approved STD leave of absence and elect the EVSP, you may still become eligible for LTD benefits if you remain continuously disabled for 26 weeks and you meet other eligibility criteria as determined by the LTD insurance company in its discretion, in accordance with the LTD insurance policy. Of course, you must have previously elected LTD coverage and would also have to continue to pay your LTD premiums for the remainder of the 26-week waiting period.

If you are on an LTD leave of absence and receive severance and/or Retirement Plan benefits, your LTD benefits may be reduced. Contact your LTD insurance company for further information.

Termination Date

If you elect the EVSP, you agree that your employment with State Street will end on June 27, 2003, unless it is extended by State Street. By electing the EVSP, you agree to any such extension.

Re-employment

If you elect the EVSP, you will not be eligible to be hired or rehired by State Street or any affiliate before September 1, 2005. In addition, you will not be permitted to work at, or provide services to, State Street or any affiliate in any capacity through Adecco or any other temporary or contract agency, or as a consultant or independent contractor, before September 1, 2005.

Non-competition Agreement

As a further term and condition of the EVSP, if you elect the EVSP, you may be required by State Street to enter into a Non-competition Agreement, in addition to the Release Agreement, that would be specifically limited as to its length and nature of the restricted activity. The terms of such an agreement will be communicated to you as soon as practicable after your valid election for EVSP is received.

Retirement Plan Benefits

Cash Balance Benefits

Normally, if you were to terminate employment (regardless of the reason), your Cash Balance Account would not be credited with pay credits after your termination date. If you elect the EVSP, your cash balance pay credits will be calculated as if your pay (base pay rate as of April 1, 2003) and service continued to August 31, 2003, rather than June 27, 2003.

In addition, if you elect the EVSP, you will be 100% vested in your Cash Balance Account regardless of your years of vesting service. Normally, you need five years of vesting service with State Street to be vested in your Cash Balance Account.

Grandfathered Benefits if Employed Before December 31, 1989

If you were employed by State Street on December 31, 1989 and have been continuously employed since that date, you may be eligible for a grandfathered benefit calculation under the former final average salary formula ("grandfathered benefits").

Currently, you are eligible for this grandfathered benefit calculation only if you are age 55 or older when you leave State Street. Under the EVSP, the "age 55" requirement is being waived for employees who have not reached age 55. This means that you will be eligible to receive the greater of your Cash Balance Account or your grandfathered benefit, even if you are under age 55. If you do not elect the EVSP and subsequently leave State Street before age 55, you will be eligible for your Cash Balance Account only.

Supplemental Executive Retirement Plan (SERP)

The SERP provides benefit under the cash balance or the grandfathered benefits formula (whichever is applicable) without regard to the IRS limits on compensation, offset by the benefit accrued under the Retirement Plan (which is affected by those IRS limits).

Grandfathered Benefits Will Be Frozen

Grandfathered benefits will be frozen as of August 31, 2003. This means that, if you continue working at State Street, your grandfathered benefit will be calculated using your final average salary and benefit service as of August 31, 2003. As a result, the grandfathered annuity benefit payable to you at age 65 will not increase with future pay or benefit service. Your future age and service will continue to count for purposes of early retirement eligibility and early retirement reductions. Your Cash Balance Account is not affected by this freeze.

If you do not elect the EVSP, you will not be eligible for any grandfathered benefit calculation if you leave State Street before age 55.

The freezing of the grandfathered benefit may be an important factor in choosing whether to elect the EVSP. If you continue working at State Street, your grandfathered annuity benefit payable at age 65 will not increase and you will not be eligible for any of the enhancements provided under the EVSP.

A separate notice about the effect of freezing the grandfathered benefit will be provided in mid-July to affected participants who do not elect the EVSP.

Early Commencement for Grandfathered Benefits

Your grandfathered benefit is calculated as an annuity payable at age 65. If you commence payment before age 65, your annuity benefits are reduced to reflect a longer payment period. To determine this reduction, an actuarial equivalence factor has been applied to the grandfathered annuity benefit payable to you at age 65 under the EVSP.

Remember, if you do not elect the EVSP, grandfathered benefits will be frozen as of August 31, 2003 (see page 7). In addition, if you later terminate employment before age 55, you will not be eligible for the grandfathered benefit calculation.

Payment Options

If you elect the EVSP, you may elect to begin receiving payment as soon as practicable after you leave State Street, but not before September 1, 2003. Or, you may choose to defer payment to a later date, but not beyond age 65. If you are already age 65 or older, you may not defer payment.

The available payment options vary depending on the value of your Retirement Plan benefit when you leave State Street. It's important to note that the **lump-sum option will not be available** if the present value of your Retirement Plan benefit is \$25,000 or more. Instead, you may elect the 5-year Level Installment Payment, described below. The 5-year Level Installment Payment is available only if you elect the EVSP.

After your Election Form and Release Agreement are processed, you will receive a package containing information about the Retirement Plan payment options available to you, as well as the Retirement Plan forms you will need to complete. *Keep in mind that HR & OP Benefits will be processing a large volume of Retirement Plan benefits in a short period of time. Your package will be sent to you as soon as administratively practicable after your termination date.*

Present Value of Your Retirement Plan Benefit as Shown on Your Personalized Statement	Payment Options
\$25,000 or more	<ul style="list-style-type: none"> • 5-year Level Installment Payments • Annuity payments
More than \$5,000 but less than \$25,000	<ul style="list-style-type: none"> • Lump-sum payment • Annuity payments
\$5,000 or less	<ul style="list-style-type: none"> • Automatic lump-sum payment

The 5-year Level Installment Payments

The 5-year Level Installment Payment option is available to you if you elect the EVSP and the present value of your Retirement Plan benefit is \$25,000 or more. To determine the amount of your installment payments, State Street will convert the value of your benefit into five equal annual payments (that is, one payment per year for five years) using a federally-mandated interest rate (4.76% for 2003; in effect, your benefit will be credited with 4.76% interest during the installment period). If you are eligible for 5-year Level Installment Payments, your estimated annual payment amount is shown on the enclosed Personalized Statement.

If you are married and elect 5-year Level Installment Payments, you will need your spouse's notarized, written consent.

If you die before receiving five years of installment payments, your remaining annual payments will be paid to your beneficiary.

Taxation

For a brief summary of the taxes that may apply to Retirement Plan distributions, see page 12.

More About the Payment Options

Following is a summary of the Retirement Plan payment options. If you elect the EVSP, you will receive detailed information about the amount payable to you and your beneficiary (if applicable) under each form of payment and how the forms of payment work.

If you are married, be sure to include your spouse's name and date of birth on the Election Form. If you plan to choose someone other than your spouse as beneficiary, also include your beneficiary's name and date of birth. If you select a beneficiary other than your spouse, you will need your spouse's notarized, written consent on the Retirement Plan forms that will be sent to you if you elect the EVSP. (You do not need your spouse's consent to submit the EVSP Election Form.)

If you're not married and you want to consider one of the payment options that continues payments to a beneficiary after your death, include your beneficiary's name and date of birth on the Election Form.

Payment Option	Description
5-year Level Installment Payments	<ul style="list-style-type: none"> Total benefit amount paid over five equal annual installments if the present value of your benefit is \$25,000 or more. If you die before five years of payments are completed, the remaining annual installments are paid to your beneficiary.
Annuity Payments Single Life Annuity	<ul style="list-style-type: none"> Monthly payments made during your lifetime. No payments made after your death.
Joint & Survivor Annuity	<ul style="list-style-type: none"> Reduced monthly payments during your lifetime (in addition to any reduction for early retirement). After your death, your beneficiary will receive 50%, 66 2/3%, 75% or 100%, as elected by you, of your monthly benefit for the rest of his or her life. If you're married, the 50% Joint & Survivor annuity with your spouse as beneficiary is the normal form of payment, unless you elect a different payment option. (You will need your spouse's notarized, written consent to elect a form of payment other than a Joint & Survivor Annuity with your spouse as the beneficiary.)
Certain & Continuous Annuity	<ul style="list-style-type: none"> Monthly payments during your lifetime. If you die before receiving at least 60 or 120 payments, as elected by you, your beneficiary receives payments until the end of the period.
Lump Sum	<ul style="list-style-type: none"> Total benefit amount paid to you if present value of benefit is less than \$25,000. Paid automatically if present value of benefit is \$5,000 or less. No payments made after your death.

For more information about these options, please refer to your Retirement Plan summary plan description. To request a copy of the summary plan description, please send an e-mail to US-Voluntary-Separation-Program.

If You Defer Payment

If you elect the EVSP, you may elect to begin payment of your Retirement Plan benefits as early as September 1, 2003, or you may defer payment to a date no later than age 65. If you are already age 65 or older, you may not defer payment.

If you defer payment of your Retirement Plan benefit to a later date and you are eligible for the grandfathered benefit calculation, a comparison will again be made of your Cash Balance Account benefit and your grandfathered benefit at the time you elect to commence payment. You will be entitled to the larger of the two benefit amounts. The calculations will be based on your age and the actuarial factors in effect under the terms of the Plan at that time.

Your ability to receive a lump-sum payment versus 5-year Level Installment Payments will be determined based on the value of the estimated Retirement Plan benefit shown on your Personalized Statement. See page 8 for more information about which option is available to you.

Salary Savings Program—401(k)

Payment Options

The table below summarizes your payment options under the Salary Saving Program (SSP), the 401(k) plan. The SSP Web site at <http://ssp.csplans.com> also contains information about "Distribution Options When Leaving the Company" in the Plan Information tab under the Plan Highlights section. Under the Forms tab of the Web site, you'll find a copy of the SSP Termination Distribution Package that contains the Termination Distribution Request Form and the Special Tax Notice Regarding Plan Payments. The Termination Distribution Request Form has special instructions concerning your distribution options if you are invested in the State Street ESOP Fund and/or the Self-Managed Brokerage Account. You can also find information about your SSP payment options in your summary plan description or by calling 800-985-FUND (3863) and speaking with a Participant Service Representative. To request a copy of the summary plan description, please send an e-mail to US-Voluntary-Separation-Program.

Payment Option	Description
Leave your account balance in the Plan (if your account balance is more than \$5,000)	<ul style="list-style-type: none"> • Leave your account balance in the plan (you must begin receiving payment by April 1 following the year in which you reach age 70 ½) • Tax deferral continues until you take a distribution
Roll over your account balance*	<ul style="list-style-type: none"> • Take a total distribution and roll over all or a portion of your account balance into a traditional individual retirement account (IRA) or another employer's tax-qualified plan (if that plan accepts rollovers) • Tax deferral continues for the rollover until you take a distribution from the IRA or tax-qualified plan
Have your account balance paid directly to you*	<ul style="list-style-type: none"> • Total benefit amount paid directly to you (subject to the 20% tax withholding described on page 12) • Taxation is not deferred unless you roll over your distribution, plus the amount of tax withholding, within 60 days of receipt

*If you choose to take a total distribution, you may also choose to roll over a portion of your account balance and have a portion paid directly to you.

Remember: You are always 100% vested in your SSP account, whether or not you leave State Street under the EVSP.

If You Have an Outstanding SSP Loan

If you have an outstanding loan, you may continue to make loan payments via money order or cashier's check. Information about loan repayment after termination of employment will be sent to you by CitiStreet (State Street's SSP recordkeeper). For more information, go to <http://ssp.csplans.com> or call 800-985-FUND (3863).

Summary of Tax Considerations

This tax summary applies to distributions from the Retirement Plan and the Salary Savings Program.

Forms of Payment	Summary
<ul style="list-style-type: none"> • Lump-sum Payments • 5-year Level Installment Payments (for the Retirement Plan) 	<p>Subject to federal income tax and, if applicable, state and local income tax.</p> <p>If you leave State Street and take a distribution before you reach age 55, the IRS assesses a 10% early withdrawal penalty on the taxable portion of the distribution. This penalty is <i>in addition to</i> ordinary income taxes that apply to your distribution.</p> <p>You may defer current taxes and penalties if you roll over your distribution to a traditional IRA or to another employer's tax-qualified retirement plan (if that plan accepts rollovers).</p> <p>If your distribution is paid to you (rather than rolled over directly), the taxable portion of your distribution will be subject to mandatory 20% federal tax withholding. You could still roll over part or all of your distribution into an IRA or another retirement plan within 60 days of receipt of your distribution. However, if you decide to roll over the full amount, you will have to find other money to replace the 20% that was withheld.</p>
<ul style="list-style-type: none"> • Annuity Payments (Retirement Plan only) 	<p>Subject to federal income tax and, if applicable, state and local income tax each year in which they are paid to you. Annuity payments are not subject to the 10% early withdrawal penalty described above nor can they be rolled over.</p>

Note: The present value of your SERP benefit is subject to FICA (Social Security and Medicare) taxes in 2003, regardless of when the benefits are actually paid and what form of payment you elect. SERP benefits cannot be rolled over.

The tax considerations involved in Retirement Plan and 401(k) plan payments—at any time, not just under the EVSP—can be quite complicated. You should consult a tax and/or financial advisor for information about payment options and tax implications. In addition, if you elect the EVSP, you'll receive a Special Tax Notice Regarding Plan Payments that contains more details about the tax consequences of receiving payments and distributions from the Retirement Plan and 401(k) plans.

Severance Payments

Amount of Severance Payments

If you elect the EVSP, you will be eligible for severance payments. Severance payments are based on your weekly base pay rate multiplied by the number of weeks. Service is equal to your completed years of service from your hire date (or your adjusted service date, if applicable) through August 31, 2003.

Your severance pay is based on 50 weeks of base pay plus 4 weeks per year of completed service with an overall maximum severance pay of 104 weeks.

The enclosed Personalized Statement shows your salary grade and the severance payments payable under the EVSP.

How Severance Is Paid

The total number of weeks of severance will be paid according to your current pay frequency. Your severance payments will be subject to the same tax withholding as the pay you received while you were actively employed. If you had elected direct deposit of your regular paychecks, the same direct deposit election(s) will apply to this payment.

If you are hired by another company before receiving all of your severance pay, the remaining weeks of severance will be paid to you in a lump sum. All benefits that are continued during the severance period will cease at that time, subject to COBRA continuation requirements.

Equity-based Awards

Stock Options

If you elect the EVSP, your vested stock options will continue to be exercisable under the original terms of the grant(s), as if you continued your employment. In addition, any unvested stock options will continue to vest under the original terms of the grant(s), as if you continued your employment. Normally, you forfeit any unvested stock options if you terminate employment before they are vested, and you must exercise any vested stock options within three months of termination of employment. By electing the EVSP, you will have the full period stated in the award to exercise your options.

If you have Incentive Stock Options (ISOs), your election to participate in the EVSP will result in conversion of those options to non-qualified stock options. You should consult a financial advisor concerning additional details. State Street will treat any vested ISOs that are exercised prior to your termination date as ISOs for tax-withholding and reporting purposes, and any options exercised on or after that date as non-qualified options, with the result that any gain upon exercise of any of your options occurring on or after your termination date will be taxed as ordinary income subject to tax withholding.

RSAs and DSAs

If you elect the EVSP, you will become 100% vested on your termination date in any Restricted Stock Award (RSA) or Deferred Stock Award (DSA) that you may have received, regardless of the terms of the grant. In addition, your DSA shares will become deliverable to you on your termination date, subject to your prior satisfaction of tax-withholding obligations. Normally, any unvested RSAs or DSAs held by you immediately prior to your termination date would be forfeited upon termination. When your RSAs or DSAs vest, you will recognize ordinary income equal to the Fair Market Value of the shares on that day, and tax withholding will be required (provided that you have not previously recognized income for tax purposes). Prior to that time, you will be able to elect how you would like to satisfy the required withholding. If you elect the EVSP, any shares granted under a DSA will be delivered as soon as practicable after your termination date.

Performance Awards

You will continue to be eligible to participate in Cycle L of the performance award grants that are based on State Street's 2003 and 2004 financial performance under the original terms of the grant as if you continued your employment for the remainder of the term. Payment of the award (if any) will be made in March 2005.

How to Exercise Your Equity Awards

To exercise your equity awards, you may logon to www.benefitaccess.com or call Smith Barney at 617-570-9545. If you have any questions about navigating this site, please send an e-mail to US-Voluntary-Separation-Program.

Medical, Dental and Vision Coverage

Your medical, dental and vision coverage will continue throughout your severance period, subject to any benefit, cost or other changes that apply to active employees. Your cost for these coverages will be deducted from your severance pay. If you are hired by another employer before the end of your severance period, your coverage will end as of your date of hire, subject to COBRA continuation requirements.

If you have opted out of medical coverage and are receiving the opt-out payment of \$140 per month, this payment will cease on your termination date. The opt-out payment will not continue during your severance period.

After your severance period ends, you and your covered family members may be eligible to continue your medical, dental and/or vision coverage through COBRA for up to 18 months, provided you pay 102% of the cost of coverage. You will receive detailed information about your rights under COBRA if you elect the EVSP.

2003 COBRA Costs

This table shows your monthly cost for COBRA coverage under the medical, dental and vision plans for 2003. These costs are subject to changes each year.

Plan	Employee Only	Employee Plus One	Family
Blue Care Elect Preferred PPO	\$286.62	\$565.69	\$895.88
Blue Care Elect Preferred PPO—Kansas City	\$257.96	\$509.12	\$806.29
Network Blue New England HMO	\$221.49	\$442.92	\$708.73
Tufts EPO	\$229.77	\$459.31	\$728.34
Advantage Blue EPO	\$246.57	\$486.70	\$778.73
Advantage Blue EPO—Kansas City	\$202.19	\$399.10	\$638.56
Kaiser HMO	\$181.21	\$362.43	\$512.84
PacifiCare HMO	\$187.11	\$379.23	\$544.10
Coventry Open Access	\$196.38	\$353.57	\$568.30
Delta Premier	\$30.10	\$61.70	\$106.51
Delta Premier—Kansas City	\$19.52	\$49.41	\$65.24
DeltaCare	\$20.59	\$39.44	\$59.27
EyeMed Vision Plan	\$5.08	\$9.18	\$13.26

Life Insurance

Basic Life Insurance

Basic Life Insurance continues throughout your severance period, subject to any benefit, cost or other changes that apply to active employees. The cost of insurance will be deducted from your severance payments, and flex credits will continue through your severance period.

When your severance ends, you may elect to convert your coverage to an individual policy. MetLife will send information about converting coverage to your home after your coverage ends.

If you are hired by another employer before the end of your severance period, your life insurance coverage will end as of your date of hire.

Optional Life Insurance and Family Life Insurance

Optional Life Insurance and Family Life Insurance continue throughout your severance period, subject to any benefit, cost or other changes that apply to active employees. The cost of insurance will be deducted from your severance payments.

When your severance ends, you may take advantage of the "portability feature," which means you can continue coverage by paying premiums at group rates directly to MetLife. Your premiums will be higher than they were when you were actively employed. More information will be provided by MetLife if you elect the EVSP.

If you are hired by another employer before the end of your severance period, your life insurance coverage will end as of your date of hire. You may take advantage of the portability feature at that time.

Accidental Death & Dismemberment Insurance

Accidental Death & Dismemberment coverage (for you or your family) ends at the end of the severance period and cannot be converted or continued. The cost of Optional Accidental Death & Dismemberment insurance will be deducted from your severance payments.

Flexible Spending Accounts (FSAs)

- **Health Care FSA**—Contributions will end on your termination date. You may continue to submit claims for eligible expenses incurred before your termination date. In addition, you may be eligible to continue contributions on an after-tax basis under COBRA through December 31, 2003. You'll receive a separate notice explaining your right to COBRA continuation of coverage.
- **Dependent Care FSA**—Contributions will end on your termination date. You may not continue your Dependent Care FSA contributions under COBRA. You can, however, submit claims for any eligible expenses you incur in 2003, up to the amount you had contributed to the account as of your termination date.
- **Transportation FSA**—Contributions will end on your termination date. You may not continue your Transportation FSA contributions under COBRA. You can, however, submit any eligible expenses you incurred as of your termination date, up to the amount you had contributed to the account as of your termination date.

Claims for reimbursement of eligible 2003 health care and dependent care expenses must be submitted to the claims administrator no later than March 31, 2004. Claims for reimbursement of eligible 2003 transportation expenses must be submitted to the claims administrator no later than January 31, 2004.

Employee Assistance Plan (EAP)

You may continue to take advantage of the EAP throughout your severance period. After your severance period ends, you and your covered family members may choose to continue your EAP coverage under COBRA for up to 18 months, provided you pay 102% of the cost of coverage. The 2003 COBRA rate for the EAP is \$23.50 for 18 months. You'll receive a separate notice explaining your right to COBRA continuation of coverage if you elect the EVSP.

Vacation

You will receive the vacation that you have earned as of your termination date, minus any vacation time that you have used.

If you bought vacation days and did not use them before your termination date, you will be reimbursed for the cost of your unused days.

If you sold vacation days and the amount you have been reimbursed is greater than the value of the days you have earned, the value of your unaccrued days will be deducted from your severance payment.

Outplacement Benefits

If you elect the EVSP, you will be eligible for outplacement benefits at no cost to you. You will receive more information about outplacement services after you elect the EVSP.

Social Security

You may begin to receive Social Security benefits as early as age 62 and Medicare benefits as early as age 65. You are responsible for filing an application with the Social Security Administration to begin receiving benefits. To confirm the timeframe for applying for benefits or for more information, contact your local Social Security office, visit its Web site at www.socialsecurity.gov or call 1-800-772-1213.

Benefits at a Glance

Following is a summary of how your benefits are affected if you elect the EVSP. As you review this chart, keep in mind that your termination date is June 27, 2003 (or a later date if your employment is extended by State Street).

<i>Review of Benefits Discussed on Previous Pages</i>	
Medical, Dental, Vision and EAP Coverage	Coverage ends at the end of the month in which your severance payments end (or when you obtain new employment, if earlier) but may be continued for an additional 18 months under COBRA. (See pages 15 and 17.)
Life Insurance	Coverage ends when your severance period ends. (See page 16.)
Health Care Flexible Spending Account	Contributions end on your termination date but may be continued through December 31, 2003 under COBRA. (See page 17.)
Dependent Care Flexible Spending Account	Contributions end on your termination date, but you may continue to submit any eligible expenses incurred in 2003, up to the amount you had contributed to your account. (See page 17.)
Transportation Flexible Spending Account	Contributions end on your termination date, but you may continue to submit eligible expenses incurred as of your termination date, up to the amount you had contributed to your account. (See page 17.)
<i>Summary of Other Benefits</i>	
Short-term Disability	Coverage ends on your termination date.
Long-term Disability	Coverage ends at the end of the month in which your active employment ends.
Business Travel Accident Insurance	Coverage ends on your termination date.
Adoption Assistance Plan	Coverage ends on your termination date.
Tuition Assistance Benefits	Coverage ends on your termination date. You will be reimbursed for any courses that were approved before May 1, 2003, subject to the same reimbursement provisions that apply to active employees.
Citizens Checking	Your account will be changed to a non-employee account and applicable fees will apply.
Auto and Home Owner Insurance	You may continue paying your discounted rate until your next annual renewal. At that time, you may continue coverage with MetLife; however, you will not be eligible for the State Street group discount.

Future Changes

State Street reserves the right to amend, modify or terminate any or all employee benefit plans, programs and arrangements (including the cost sharing for such benefits) with respect to all active, inactive, retired and former employees and their dependents and beneficiaries, irrespective of whether you elect the EVSP.

ERISA Rights

References to "EVSP" and "Executive Voluntary Separation Program" are used for communication purposes only. The Executive Voluntary Separation Program is not a separate plan. To the extent that the benefits and services described in this booklet are provided through an employee benefit plan covered under the Employee Retirement Income Security Act (ERISA), please refer to the applicable summary plan description for more details and information about your rights under ERISA.

Questions and Answers

Executive Voluntary Separation Program Basics

<i>Why is State Street offering the EVSP?</i>	The EVSP is part of State Street's effort to meet our cost reduction goals, which require us to reduce staff by up to 1,800 employees. By offering the EVSP, we hope to reduce the number of involuntary reductions.
<i>What happens if the EVSP does not generate sufficient savings?</i>	State Street will have an involuntary staff reduction if the EVSP does not bring about sufficient savings.
<i>If I'm laid off after the EVSP, will I receive enhanced benefits?</i>	No. If you do not elect the EVSP and are subsequently laid off, you will not receive any enhanced Retirement Plan benefits or any of the other enhanced benefits provided under the EVSP.
<i>What are the main benefits of accepting the EVSP?</i>	<p>The EVSP offers enhanced benefits that are not normally available to State Street employees. These benefits include:</p> <ul style="list-style-type: none"> ▪ Retirement Plan benefit enhancements ▪ Severance payments for all employees ▪ Retiree medical and life insurance coverage for employees age 50 and older with five or more years of service ▪ Continued vesting in equity plans <p>The enhancements are available only to eligible employees who elect the EVSP during the May 1–June 16, 2003 election period.</p>
<i>Will there be another EVSP at State Street in the future?</i>	At this time, we do not plan to offer the EVSP in the future.

<i>How long do I have to decide whether to elect the EVSP?</i>	<p>You have until June 16, 2003, to return the signed Election Form and Release Agreement to indicate your acceptance of the EVSP. The completed paperwork must be <i>received</i> by HR & OP Benefits by June 16, 2003. (See <i>Returning Your Forms</i> on page 4.) If your paperwork is received after June 16, your election for the EVSP will not be valid and you will not be eligible for any enhanced benefits.</p> <p>Keep in mind, however, that in no event will you have less than 45 calendar days to review and consider the Release Agreement.</p>
<i>What if I return my paperwork to elect the EVSP and later change my mind?</i>	<p>You have seven calendar days from the date you sign the Election Form to submit a Revocation of Election Form, even if it's after June 16, 2003. Once the seven-calendar-day period ends, however, the election is irrevocable, provided you sign the Release Agreement.</p> <p>In no event, however, will you have less than 45 calendar days to review and consider the Release Agreement. You have seven calendar days after signing the Release Agreement to revoke it. If you do not sign the Release Agreement or if you revoke it during the seven-calendar-day period, your election of the EVSP will not be effective, and you will be treated as though you never elected the EVSP.</p>
<i>If I choose to elect the EVSP, what will be my last working day at State Street?</i>	Your last day at work will be June 27, 2003, unless your termination date is extended by State Street. Only executive management or its delegate can extend an employee's termination date beyond June 27, 2003.
<i>Should I elect the EVSP?</i>	Only you can answer this question. Please take the time to read through the materials you've received, discuss your options with your family and friends, and consult a financial advisor before you decide whether the EVSP makes sense for you. You are advised to seek advice from an attorney before you sign the Release Agreement.
<i>Am I eligible for unemployment if I elect the EVSP?</i>	We can't answer that question. You'll need to check with your state's local unemployment insurance office to determine if you would be eligible for unemployment insurance benefits if you elect the EVSP and to determine how severance and Retirement Plan benefits may affect unemployment insurance benefits.
<i>What if I elect to participate in the EVSP but die before I terminate employment?</i>	If you elect the EVSP and die before June 27, 2003, State Street will honor your election.
<i>If I'm age 65 or older, do I have to enroll in Medicare?</i>	Yes. Medicare offers a "special enrollment period" in Medicare Part B for those who terminate employment. For more information, contact your local Social Security office, go to www.socialsecurity.gov , or call 1-800-772-1213.

About the Retirement Plan

<i>What if I'm not vested in the Retirement Plan?</i>	If you elect the EVSP, you will automatically become vested under the Retirement Plan. That's one of the advantages of the EVSP.
<i>When will I receive my Retirement Plan payment?</i>	Payment will commence as soon as administratively practicable after you leave State Street and after you return the appropriate forms, but not before September 1, 2003. Or, you may defer payment to a later date.
<i>If I elect the EVSP, can I defer my Retirement Plan payment?</i>	You may defer payment of your Retirement Plan benefits under the EVSP, but not beyond age 65. If you are already age 65 or older, you may not defer payment. If, however, the present value of your Retirement Plan benefit is \$5,000 or less, it will automatically be paid to you as a lump sum as soon as administratively practicable after you leave State Street.
<i>What happens to my Retirement Plan payments if I accept a job with a different company?</i>	Your Retirement Plan payments are not affected if you begin working at another company.
<i>Will all of the Retirement Plan payment options apply if I elect the EVSP?</i>	Yes, with one exception: if the present value of your Retirement Plan benefit is \$25,000 or more, you cannot elect a lump-sum payment. Instead, you may elect the special payment option of 5-year Level Installments.

Important Reminder! If you want to elect the Executive Voluntary Separation Program, your Election Form and Release Agreement must be received no later than June 16, 2003 (see *Returning Your Forms* on page 4). After you sign your Election Form and Release Agreement, you have seven calendar days to revoke your decision.

Remember, you will have at least 45 calendar days to sign your Release Agreement.